

What Is Long Term Care?

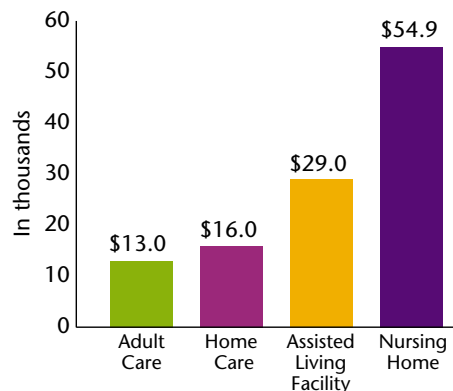
Long Term Care (LTC) is what an individual needs when he or she requires regular assistance with day-to-day functions like bathing, eating and/or dressing or supervision due to cognitive impairment. LTC insurance helps pay for care at home, in an adult day care center, assisted living facility, nursing home or hospice — it's your choice.

Why Long Term Care Insurance?

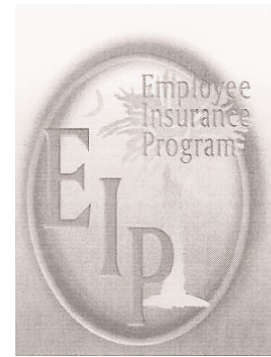
With today's enhanced longevity, a growing number of Americans "live, get sick, progressively lose function, and then die."* When this happens, we not only lose the freedom to care for ourselves, we may be forced to completely deplete a lifetime of savings unless specific LTC insurance is part of our personal financial plan for protection of assets when we grow older.

*Aetna Chairman & CEO and gerontologist Dr. John W. Rowe, author of *Successful Aging*.

LTC Costs Can Be Devastating
National Average Costs (annual)



Source: GE LTC Survey, 3/02; American Council of Life Insurers, 4/00



Where Will the Money Come From?

Long Term Care is:

- *NOT* covered by your medical program.
- *NOT* covered by disability insurance.
- *NOT* covered by Medicare to any substantial degree.
- *NOT* covered by Medicaid unless one's assets have been reduced to the poverty level.

Did you know that an accident or illness can cause you or a family member to need long term care at any age?

Top Ten Conditions Requiring Long Term Care

Source: Aetna, LTC Claim History 1/02

1. Alzheimer's disease, related dementia
2. Cancer
3. Stroke
4. Parkinson's disease, other neurological conditions
5. Arthritis
6. Heart attack
7. Other injuries (fractures)
8. Emphysema, other respiratory diseases
9. Diabetes
10. Mental, nervous, other Alzheimer's related conditions





State of South Carolina Employee Insurance Program (EIP)

Aetna Group Long Term Care Insurance Disability and Service Reimbursement Plans Summary of Benefits

South Carolina EIP is sponsoring a long term care insurance plan underwritten by one of the top five group carriers, Aetna Life Insurance Company. The chart below outlines some of the disability and service plans' benefits and features.

	Disability Plan	Service Reimbursement Plans
Who's Eligible	<ul style="list-style-type: none"> Active employees who work at least 30 hours per week continuously for more than six months per year.* Retirees of participating state insurance program entities. Spouses of eligible employees or retirees. Surviving spouses of retirees. Parents and parents-in-law of active employees. <p>* Active employees who work at least 20 hours per week at the agency option.</p>	
Enrollment Period	New hires may enroll within 31 days of hire without proof of good health. Active employees (other than New Hires), employees' spouses, parents, parents-in law, retirees, their spouses and surviving spouses may enroll at any time but will be required to complete a medical questionnaire and must be approved by Aetna. Employees may enroll at any other time but will be required to complete a medical questionnaire and must be approved by Aetna.	
Rates and Method of Payment	Rates are included in the last section of each of the <i>Outline of Coverage</i> booklets. Employees receive payroll deductions for themselves and their spouses. Retirees and their spouses may be pension deducted. All others are billed directly by Aetna.	
Spousal Discount	None	There is a 10% discount in premiums if both the employee/retiree and spouse enroll.
Amount of Coverage Per Day = Your Benefit Amount (DBA)	You choose a daily benefit amount (DBA) of \$50 to \$250 , in \$10 increments. This is the maximum amount of coverage your plan will provide each day.	You choose a daily benefit amount (DBA) of \$50 to \$350 , in \$10 increments. This is the maximum amount of coverage your plan will provide each day.
How You Qualify for Claim	You qualify when Aetna certifies that either you are unable to perform 3 of 6 activities of daily living (ADLs) (bathing, dressing, eating, transferring, continence, toileting) or that you have a severe cognitive impairment like Alzheimer's.	You qualify when Aetna certifies that either you are unable to perform 2 of 6 activities of daily living (ADLs) (bathing, dressing, eating, transferring, continence, toileting) or that you have a severe cognitive impairment like Alzheimer's.
How You Receive Benefits/Payments	You submit only one claim form, then receive a check payable to you for use as you see fit – no need to submit bills.	You submit bills, fill out claim forms and receive reimbursement.
Single Waiting (Deductible) Period of 90 Days	Your benefits begin after a certified qualifying loss, followed by an once-in-a-lifetime 90-day waiting period.	
Premiums Waived When in Claim	After the 90-day waiting period, premiums are waived. You pay no premiums while you receive benefits.	
Your Total Lifetime Benefit Amount or Pool of Money	<p>Your Lifetime Maximum Benefit is determined by multiplying the number of days in five (5) years by your Daily Benefit Amount (DBA).</p> <p>To determine the total amount of money that your coverage provides:</p> <ol style="list-style-type: none"> Multiply the DBA you select by 365 (days in a year). Multiply that result by five (5) years. <p>Based on when and where you receive care, your Lifetime Maximum Benefit could be paid out in a minimum of 5 years or in a much longer period of time.</p> <p>Example on calculating the Lifetime Maximum Benefit: DBA = \$100 Lifetime Maximum Benefit is based on 5 years. Therefore, your total Lifetime Maximum Benefit is: \$100 x 365 = \$36,500 x 5 years = \$182,500.</p>	
Inflation Protection Increases	You may increase your coverage every two years without proof of good health to help keep pace with the rising cost of long term care. You may increase your coverage through this feature, even if you are in claim, as long as you have not turned down a previous offer. The increase amount that you will be able to purchase is \$10.	



	Disability Plan	Service Reimbursement Plan – There are two Service Plan Options:	
Expenses Covered:	<u>Disability Plan – Option 1</u>	<u>Service Plan – Option 2</u>	<u>Service Plan – Option 3</u>
• Nursing or Hospice Facility Care:	100% of DBA	Actual expenses up to 100% of DBA	Actual expenses up to 100% of DBA
• Assisted Living Facility Care:	50% of DBA	Actual expenses up to 100% of DBA	Actual expenses up to 100% of DBA
• Respite Care:	50% of DBA	Actual expenses up to 50% of DBA for 21 days per calendar year; Not subject to Lifetime Maximum	Actual expenses up to 100% of DBA for 21 days per calendar year; Not subject to Lifetime Maximum
• Community Based Services (Home Health Care, Homemaker Services, Adult Day Care):	50% of DBA	Actual expenses up to 50% of DBA	Actual expenses up to 100% of DBA
• Informal Care:	50% of DBA	Cash Benefit paid at 25% of the DBA up to 100 days per calendar year; Not subject to Lifetime Maximum	Cash Benefit paid at 25% of the DBA up to 50 days per calendar year; Not subject to Lifetime Maximum
• Alternate Care:	50% of DBA	Actual expenses up to 50% of DBA	Actual expenses up to 100% of DBA
• Transitional Care:	50% of DBA	3 times DBA; Not subject to Lifetime Maximum; Paid only once in a lifetime	3 times DBA; Not subject to Lifetime Maximum; Paid only once in a lifetime
• Caregiver Training:	50% of DBA	Lesser of 100% of the actual expenses or 3 times the DBA; Not subject to Lifetime Maximum	Lesser of 100% of the actual expenses or 3 times the DBA; Not subject to Lifetime Maximum
• Bed Reservation:	100% of your DBA for 21 days per calendar year to hold the bed in a nursing facility or to hold in an assisted living facility.		
Restoration of Benefits	Your total Lifetime Maximum Benefit is restored to its original value when you recover and resume premium payments.		
Death Benefit – Return of Contribution	This feature is only available to those people who enroll as active employees, and their spouses. Employee or spouse premiums can be returned to their beneficiary, less any claim dollars paid, subject to a 10% limitation rule as explained in the <i>Outline of Coverage</i> booklets.		
30 Day Free Look	Your premiums will be refunded if you cancel your plan within 30 days of receiving your Certificate of Coverage booklet.		
Leave Job and Continue Coverage	If you leave your current employer, you can continue your coverage by paying Aetna directly, at the same group rates. If you retire, you can continue coverage and have premiums deducted from your SC Retirement Systems benefits.		
Choices to Make	<ol style="list-style-type: none"> 1. Select which plan design you want (Disability or one of the two Service plans) and your Daily Benefit Amount. 2. If you are an employee enrolling within 31 days of hire, please complete the Employee enrollment form. Otherwise, employees should complete the medical questionnaire. 3. All others must complete the medical questionnaire. 4. Completed Employee enrollment forms should be returned to your Benefits Administrator. All completed medical questionnaire forms should be returned to Aetna in the envelope provided. 		

For definitions, exclusions and more information, please review the *Outline of Coverage* documents.

**Aetna Long Term Care
\$1 Monthly Rates
With Return of Contributions**

Age	Disability Plan*	Service Plan Option 1*	Service Plan Option 2*	Age	Disability Plan*	Service Plan Option 1*	Service Plan Option 2*
20	0.021	0.027	0.041	56	0.532	0.357	0.496
21	0.024	0.029	0.044	57	0.573	0.390	0.541
22	0.026	0.031	0.046	58	0.617	0.427	0.588
23	0.028	0.034	0.049	59	0.663	0.466	0.642
24	0.031	0.036	0.051	60	0.712	0.509	0.699
25	0.036	0.038	0.056	61	0.764	0.560	0.767
26	0.039	0.041	0.061	62	0.820	0.615	0.839
27	0.042	0.045	0.066	63	0.881	0.678	0.924
28	0.046	0.049	0.071	64	0.946	0.747	1.019
29	0.050	0.054	0.078	65	1.015	0.813	1.106
30	0.055	0.057	0.084	66	1.105	0.901	1.224
31	0.060	0.062	0.091	67	1.204	1.005	1.362
32	0.066	0.068	0.099	68	1.314	1.089	1.475
33	0.073	0.073	0.108	69	1.434	1.184	1.603
34	0.080	0.079	0.117	70	1.568	1.291	1.744
35	0.088	0.086	0.126	71	1.717	1.414	1.906
36	0.096	0.091	0.134	72	1.880	1.552	2.087
37	0.107	0.099	0.143	73	2.061	1.708	2.293
38	0.117	0.105	0.152	74	2.264	1.886	2.524
39	0.128	0.112	0.163	75	2.489	2.086	2.785
40	0.141	0.119	0.173	76	2.740	2.315	3.086
41	0.154	0.127	0.185	77	3.015	2.577	3.428
42	0.169	0.135	0.196	78	3.316	2.871	3.809
43	0.185	0.144	0.208	79	3.624	3.193	4.228
44	0.203	0.152	0.219	80	3.937	3.527	4.656
45	0.221	0.163	0.232	81	4.242	3.841	5.066
46	0.241	0.172	0.246	82	4.537	4.158	5.479
47	0.261	0.181	0.259	83	4.811	4.515	5.938
48	0.284	0.195	0.277	84	5.078	4.864	6.378
49	0.307	0.209	0.295	85	5.338	5.195	6.781
50	0.333	0.223	0.315	86	5.590	5.577	7.267
51	0.361	0.238	0.335	87	5.834	5.942	7.733
52	0.390	0.254	0.356	88	6.070	6.292	8.180
53	0.422	0.276	0.387	89	6.317	6.629	8.614
54	0.456	0.301	0.420	90+	6.579	6.911	8.973
55	0.493	0.327	0.456				

*An approximate 1% administration fee will be added to the quoted rates for enrollees whose premiums are payroll or pension deducted.

To calculate your annual premium

1. Find the rate associated with your age and plan option on the chart above.
2. Multiply that rate by the amount of coverage you wish to purchase.
3. Multiply that amount by 12 months to determine your annual premium.

Example: Rate is calculated using the Service Reimbursement Model Option 1.

Annual Premium for a 55-year-old employee purchasing \$100 Daily Benefit: $\$0.327 \times \$100 \times 12 \text{ months} = \392.40

**For more information, please visit www.aetna.com/group/southcarolina
or call 1-800-537-8521 to speak with an Aetna Long Term Care specialist.**